EXHIBIT 5
DATE 2/18/2011
HB 565

House Bill 565 – Rep. Pat Noonan
AWARE testimony

1) Why are we supporting this bill? What does it do?
   a. Last session the legislature passed into law requirements for the DPHHS to focus attention on out of state placed youth. The law first requires the department to report on the number of children sent out of state and to better understand why they are being sent. Second, the law required the state to make efforts with in state providers to create increased capacity to serve these youth in Montana.

      Sending disabled children, children who have been traumatized and suffer from mental illness to placement in other states exacerbates the problems these children have, costs the state more – especially in the long run for services and care needs.
      We do not have adequate oversight of out of state facilities where by reports from these youth we know to our medical professionals that there is gang activity and significant abuses that Montana kids suffer.

   b. The department made efforts to meet the demands of the first part of the bill by developing some statistics, working with the University of Montana SW program and filing its reports. The numbers are still confounding:
      Last year in testimony it was reported that there were 26 children in OOS placements funded with Medicaid. The report for FY 2010 states that there are either 25 or 28 children (depending on the page of the report) in OOS placements funded with Medicaid, even though the total placements from Department of Corrections, Child and Family Services Division, and Medicaid decreased from 127 to 100 from FY 09 to FY 10.
      Length of stays are suggested to be reduced yet qualified reports from our medical staff note that children may have multiple stays due to recidivism, but they are counted as separate lengths of stay. (See Attachment – CMHB FY 2010 Report)

   c. We have seen other troubling movement from the department. The Department has made a series of policy decisions that creates more dependence on higher levels of care while diminishing the ability of providers in Montana to serve kids in the least-restrictive setting. Not only is the
      i. Rule changes that create significant reduction of the level of care required in our intensive group home system. The changes blurred the4 distinction between moderate and intensive level homes and watered down the service to maintain the highest level of pay for the lowest level of service.
      ii. Elimination of 3 psychiatric billing codes critical to assessment and then involvement of the psychiatrist in the treatment planning and delivery process. The elimination of this billing code eliminates provider's ability to be paid for serving more intensive children.
      iii. Rule changes curtailing the use of community services designed to wrap services around youth as what was our most intensive effort to prevent out of home changes.

iv. Increased volume of denials from Magellan with particular focus, in fact only for those children with the most significant needs. Denials not based on clinical foundation, or CMHB policy. (See Attachment – letter from DPHHS to the AWARE Medical director.)
v. Cost reduction and functional elimination of services used to provide added support and safety for the most difficult youth in group home settings.

2) So what is proposed here?
What this bill requires is for the state to define in rule what outcomes it demands of providers, and those providers (both in-state and OOS) that can show positive outcomes and meet the criteria can be included in the pool of providers referenced in the bill.
   a. AWARE believes the goals of reducing out of state and higher level care can be reduced through a systematic approach. In fact AWARE has made the commitment and while working parallel to the states efforts has had remarkable outcomes.
      i. IN FY2010 AWARE provided 36% of the services to the children's mental health system
      ii. 4% of the youth AWARE served ended up in PRTF/ residential care in or out of state. Comparatively, 18% of the children served in the remainder of the children's system were served in PRTF or out of state.
      iii. At any given time 6-7% of AWARE youth were served in intensive homes while 26% of the remainder of the sytem were served in intensive homes.

      We know that with proper focus, good outcomes can be managed.

   b. This bill seeks to reinforce and strengthen the resolve of the legislature to forward the policy of treating kids in the least restrictive setting possible.
      i. The bill addresses this in several ways:
      ii. Requiring the development of performance standards for both providers in and out of state which will 1) help better protect and improve outcomes for children who continue to be sent out of state and 2) create performance measurement and a better manner of requiring in state providers to be more accountable and provide better services to prevent out of state care.
      iii. Requires the state to increase its efforts in using 'qulaified providers to stem the flow of children out of state
      iv. Hopes to stem the flow of current policy back to policy that creates options in Montana for youth at the most intensive levels, specifically at the intensive group care level

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January 21, 2011

Dr. Leonard Lantz, M.D.
Medical Director, A.W.A.R.E, Inc
Fax: 406-449-3125
Re: Request for Administrative Review

Dear Dr. Lantz:

I received your letter requesting a reversal of the denial of case management for your patient, [redacted] Given the urgent nature of her situation described in your letter, we will consider this a request for an expedited administrative review, which is the next step available to the provider and/or to the legal guardian to request continued authorization, following the denial of a service by the utilization management contractor and an appellate physician.

The expedited administrative review request has been assigned to Jamie Stolte, clinical program officer in the Children's Mental Health Bureau. She anticipates that she will overturn the denial of case management in this situation and will explain what that opinion is based on in her letter. I will ask her to FAX you a copy as soon as she completes it.

The department has observed some inconsistencies between TCM authorizations and our contractor's use of the guidelines as published in the manual. We are in the process of reviewing our data, analyzing the inconsistencies, and considering options on how to correct those inconsistencies. So far, we have requested a youth specific report from Magellan on all denials and partial denials since November 2010. As a result of concerns posed by you and others, we have also audited a number of TCM partial-denial authorizations. Preliminary findings suggest that Magellan reviewers may not have consistently applied the Clinical Guidelines incorporated in ARM. While we further analyze this situation, you of course have a right to go through an administrative review process for each denial or partial authorization per client. However, because of the number of cases involved, I want you to know that we are considering a less labor intensive way of correcting the problem. The options include continuing to handle this through the normal appeal process at one end of the spectrum through reversing all TCM partial authorizations and denials issued after November 1, 2010 through today's date 01/21/2011.

Sincerely,

Bonnie Adee, Children's Mental Health Bureau Chief

Report to the Montana Legislature

Twelve Month Out-of State Placement and Monitoring Report

July 1, 2009 through June 30, 2010

(No. 1.3) Submitted August 24, 2010

Youth in Out of State Placements: July 1, 2009 through June 30, 2010 (SFT 2010) Psychiatric Residential Treatment Facilities (PRTF) and Therapeutic Group Homes (TGH)				
Source of Funding for placement:	Medicaid only	Medicaid plus one or more agency	Non-Medicaid	Total
Unduplicated number of youth in out of state PRTFs or TGH	28	45	27	**100**

- Information about youth in out of state acute psychiatric hospitals has been omitted. These admissions are generally brief and are either in border facilities or in a facility near a PRTF out of state.
- For purposes of reference, the total unduplicated number youth in an out of state PRTF or TGH in SFY 2009 (12 months) was **127.**

Medicaid funding was available for 73 of the 100 youth in out of state placements in SFY 2010. The chart below indicates placements by agency along with the funding source. This count excludes youth placed in treatment without agency involvement. Due to the fact that some youth were involved with more than one agency and some youth were place more than once during the SFY, the numbers below do not represent unduplicated youth.

System Utilization of Out of State Placements to Psychiatric Residential Treatment Facilities or Therapeutic Group Homes July 1, 2009 through June 30, 2010				
	Child and Family Services placements	Juvenile Probation Placements	Dept of Corrections Placements	School district placements
Used Medicaid funding. May have used additional agency or third party funding for room and board, or for additional days when Medicaid authorization ends.	22	23	4	0
Agency or third party funding only; non-therapeutic placements	11	21	0	0
Total youth out of state at any time during past 12 months (SFY 2010)	33	44	4	0

New Out-Of-State PRTF Admissions Funded by Medicaid
July 1, 2009 through June 30, 2010

Medicaid Admissions to Out of State Psychiatric Residential Treatment Facilities (PRTFs)

Twenty-five (25) youth funded by Medicaid were admitted to out of state placements during this period. The following information was collected about those twenty-five Medicaid admissions:

Legal Guardian:

Bio family	Adoptive Parents	Child and Family Services
12	5	8

Referral Source:

Acute Care Hospital	Instate PRTF	Other
21	2	2

Highest level of previous treatment prior to hospital:

PRTF	TGH	Home and Community based services
11	9	5

Medicaid Admissions to Out of State Therapeutic Group Home (TGH)

Eighteen (18) youth funded by Medicaid were admitted to Normative Services, Inc. in Wyoming during this period.

Administrative rule requires the youth must be denied admission by all three in-state PRTFs prior to going to an out of state PRTF.

Reason(s) given by in state PRTFs for not admitting the25 Medicaid funded youth who were subsequently admitted to an out of state PRTF:

1. History of multiple PRTF placements without response to treatment.	**17**
2. Severe violence/physical aggression, Facility can't assure safety.	**18**

3. Disregard for limit setting by staff, requiring 1:1 staff more that 75% of time.	4
4. Minimal response to psychotropic medications in reduction of severe psychiatric symptoms.	0
5. Severe suicide risk based on multiple attempts over recent six month period.	2
6. Established pattern of antisocial behavior with no documented response to treatment.	4
7. Specific symptoms/diagnosis that is not responding to medical or psychological treatment.	2
8. Primary presenting problem is chemical dependency. No prior substance abuse treatment and inpatient CD treatment is indicated.	0
9. Developmentally disabled or IQ/neuron-psych deficits. Too impaired to benefit from treatment offered.	9
10. Medical condition requiring specialized services beyond the capacity of facility.	3
11. One or only presenting problem is sexually reactive or sex offending behavior.	8
12. Autism Spectrum Disorder	3
13. Fire setting behavior	0
14. Elopement risk	0
15. Fetal Alcohol Spectrum disorder	0
16. Neuro-psychiatric disorder	0
17. Lack of bed availability	9
18. Age inappropriate (too young or too old)	0
19. Other reasons: Youth needs both acute and residential levels of care in same facility Facility cannot manage youth's diabetes Youth needs PRN medications and physical restraint to manage aggression Facility not prepared to address youths conduct disorder Facility can't manage combination of youth's aggression, size and low IQ Facility requires youth be restraint and seclusion free for at least 48 hours Youth currently in instate facility that recommends lateral move to another PRTF Youth needs concurrent chemical dependency and psychiatric treatment Facility unwilling to admit youth when outpatient treatment team does not recommend admission to this facility.	

Cost of youth Medicaid funded youth placed out of state: 7/1/09 through 6/30/2010
Note: Data is based on paid claims data, not date of service

Psychiatric Residential Treatment Facilities (PRTF)						
Date of Payment	Net Payments		Youth Served (unduplicated count)		Total	
SFY	In-State	Out-of-State	In-State	Out-of-State	Net Payments	Youth

						Served
2007	$9,664,845	$5,531,384	339	104	$15,196,229	418
2008	$8,125,599	$4,603,668	329	92	$12,729,267	409
2009	$10,224,496	$2,751,270	368	70	$12,975,766	432
2010	$10,484,756	$2,641,886	401	62	$13,126,642	463

Therapeutic Group Home (TGH)						
Date of Payment	Net Payments		Youth Served (unduplicated count)		Total	
SFY	In-State	Out-of-State	In-State	Out-of-State	Net Payments	Youth Served
2007	$13,647,596	$1,993,662	454	13	$15,641,258	515
2008	$14,857,506	$2,181,274	479	14	$17,038,780	582
2009	$14,856,023	$1,071,911	478	13	$15,927,934	530
2010	$15,261,290	$847,179	563	34	$16,108,469	597

Efforts the Department has initiated to avoid out of state placements:

The Children's Mental Health Bureau has initiated a variety of efforts intended to control, and where possible, reduce out-of-state placements in a therapeutic group home and psychiatric residential treatment facilities. The following activities describe those efforts.

1. Most out of state PRTFs have completed a survey describing the specialty care available in their facility and how it is provided. The results will assist Montana in making appropriate referrals for specialty care to out of state facilities.

2. Montana Medicaid is not enrolling new out of state providers unless there is a youth with a specific clinical need that cannot be met by any already enrolled provider, and no other enrolled provider will accept the youth. All out of state PRTFs must be licensed, accredited, and certified. Currently there are only 11 out of state PRTFs and 1 therapeutic group home enrolled in Montana Medicaid.

3. Beginning July 1, 2010 all PRTF providers must complete and submit a Discharge Plan Review Form within 30 days of admission or Medicaid will not authorize additional covered days. This effort is intended to encourage more adequate discharge planning and shorter lengths of stay in both instate and out of state PRTFs.

4. The Children's Mental Health Bureau plans to open two new PRTF "waiver" sites (Helena and Great Falls) before 12/31/2010, in addition to the current sites in Billings and Missoula. This program offers home and community alternatives to youth and families in these communities in lieu of admission to a PRTF. Some youth exit the PRTF while still eligible for that level of care to enroll in this program.

5. CMHB regional staff and the Utilization Management contractor's regional staff are involved with the community treatment team and referring service provider before a youth is authorized for admission to an out of state PRTF. This staff seeks alternatives to the out of state admission among qualified Montana providers. (In SFY 2010 admissions to out-of-state PRTFs averaged just over 6% of all admissions to PRTFs; in SFY 2006 OOS admissions were 26% of all admissions)

6. In SFY 2010 the average length of stay for youth in out-of-state PRTFs was 102 days, compared with an average length of stay of over 300 days in SFY 2004 for youth in out of state facilities. Aggressive management by the state's Utilization Management contractor Magellan Medicaid Administration has resulted in only 53% of the requests for continued stay authorization for PRTF level of care being fully approved and another 47% receiving either a denial or a partial denial which allows additional days to complete discharge planning.

7. CMHB is increasing the capacity for wraparound facilitation in community settings by offering wraparound facilitation training and coaching. The goal is to offer at least twelve training opportunities to providers during the next SFY.